

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT AMENDED APPLICATION OF)	
THE UTILITIES: INTER-COUNTY ENERGY)	
COOPERATIVE CORP., KENTUCKY POWER)	
COMPANY, KENTUCKY UTILITIES)	
COMPANY, LOUISVILLE GAS AND)	
ELECTRIC COMPANY, OWEN ELECTRIC)	CASE NO. 2005-00276
COOPERATIVE, INC., SHELBY ENERGY)	
COOPERATIVE, INC. AND THE UNION)	
LIGHT, HEAT AND POWER COMPANY)	
FOR APPROVAL OF A PILOT METER)	
TESTING PLAN PURSUANT TO 807 KAR)	
5:041, SECTIONS 13, 15, 16, 17, AND 22)	

O R D E R

On July 1, 2005, Inter-County Energy Cooperative Corp., Kentucky Power Company, Kentucky Utilities Company, Louisville Gas and Electric Company, Owen Electric Cooperative, Shelby Energy Cooperative, and The Union Light, Heat and Power Company (collectively "Utilities") filed an evaluation report which describes their respective costs and benefits over the first 4 years of a 5-year sample meter test plan. Formally known as the Revised Amended Sample Meter Test Plan ("2001 Plan"), it was approved by the Commission as a 5-year pilot in Case No. 1999-00441.¹ The 2001

¹ Case No. 1999-00441, The Joint Application of the Utilities: Inter-County Energy Cooperative Corp., Kentucky Power Company d/b/a American Electric Power, Kentucky Utilities Company, Louisville Gas and Electric Company, Owen Electric Cooperative, Shelby Energy Cooperative, The Union Light, Heat and Power Company Collectively Called ("Utilities") For Approval of a Pilot Meter Testing Plan Pursuant to 807 KAR 5:041, Sections 13, 15, 16, 17, and 22 (Order dated December 12, 2000).

Plan authorizes meters to be classified by homogeneous groups and tested for accuracy on a sample basis in lieu of the testing required by 807 KAR 5:041, Section 16. Based on the favorable results of the evaluation, the Utilities are now requesting that the 5-year pilot be approved on a permanent basis with one substantive modification to allow a group of meters to be further subdivided based on additional knowledge resulting from actual test data of that group or information from the meter manufacturer. The 2001 Plan with this proposed modification is referred to by the Utilities as the 2006 Sample Meter Testing Plan.

The proposed modification would amend Section II(D)(3)(b) of the 2001 Plan by allowing a group of meters to be further subdivided pursuant to the American National Standard ANSI C12.1-1995 Section 5.1.4.3.3. Under this modification, a group of meters that fails to meet the established accuracy level may be further subdivided, if appropriate, by removing from service any identified poor-performing sub-group within the failed group. The remaining meters in the failed group will remain in service if the Utilities can demonstrate that the remaining meters meet the accuracy level established in the 2006 Sample Meter Testing Plan. The Utilities filed supporting documentation to justify their proposal to allow subdividing meter groups. The Utilities state that allowing them to subdivide a failed meter group will ensure that poor-performing meters are removed from service while accurate meters remain in service. The Utilities further state that the 2001 Plan has worked successfully and, on a collective basis, they have achieved average annual savings in excess of \$1 million.

Based on the evaluation report and being otherwise sufficiently advised, the Commission finds that the Utilities' operations under the 2001 Plan have been

reasonable, that inaccurate meters have been removed from service, and that meter testing costs are now lower than they otherwise would have been. The Commission further finds that the requested modification to permit, under certain circumstances, groups of meters to be subdivided is reasonable and should be approved. Consequently, the Commission will approve on a permanent basis the proposed 2006 Sample Meter Testing Plan.

IT IS THEREFORE ORDERED that:

1. The Utilities' 2006 Sample Meter Testing Plan, set forth as Exhibit 8 to their July 1, 2005 filing, is approved on a permanent basis effective January 1, 2006.
2. The Utilities shall fully comply with all the provisions set forth in their 2001 Plan through December 31, 2005 and shall thereafter fully comply with all provisions of their 2006 Sample Meter Testing Plan in lieu of the requirements set forth in 807 KAR 5:041, Section 16.

Done at Frankfort, Kentucky, this 10th day of November, 2005.

By the Commission

ATTEST:



Executive Director